



**HAMPDEN TOWN COUNCIL WORKSHOP
FY22 BUDGET WORK SESSION
HAMPDEN MUNICIPAL BUILDING
AGENDA**

MONDAY

May 10, 2021

6:00 P.M.

1. Call to Order
2. Discussion on sewer rates
3. Review of Town Manager FY22 Budget
 - a. Public Safety
 - b. Police
 - c. Fire
 - d. IT (includes GIS Mapping)
 - e. Assessor
 - f. Planning
 - g. Economic Development
4. Adjourn

The next budget meeting will be held on Wednesday May 12th at 6:00 p.m.

FOR THOSE THAT WISH TO PARTICIPATE IN THE
REMOTE HAMPDEN COUNCIL FY22 BUDGET
MEETING ON MAY 10, 2021 AT 6:00 PM YOU
MAY PHONE IN USING THE FOLLOWING
NUMBER (FOLLOWED BY THE PIN #)

1-401-646-0189 PIN 124 684 828#

OR-

FROM A LAPTOP OR A DESKTOP, YOU MAY GO
TO THIS URL: [https://meet.google.com/
xaa-mhku-cyi?hs=122&authuser=0](https://meet.google.com/xaa-mhku-cyi?hs=122&authuser=0) AND JOIN
US THAT WAY

INSTRUCTIONS ARE POSTED WITH THE AGENDA
AND SEPARATELY ON THE TOWN CALENDAR AT
WWW.HAMPDENMAINE.GOV

Using Google Meet to Participate in Hampden Town Council Remote Meetings

How to join:

1. Town Council members will receive an email or a Google Calendar Invite with a link to join the meeting.
2. People interested in joining will need to go to the link posted on the town events calendar at www.hampdenmaine.gov.
3. Anyone can also join for audio-only participation by calling the number provided on the town events calendar and then entering the PIN provided followed by the # symbol.

Protocols for Remote Meetings:

1. Log in or call in at least 5 minutes before scheduled start of meeting.
2. For the audio portion, use either your phone or your computer microphone, not both.
3. Mute your phone or computer mic unless speaking. Remember to un-mute if you want to speak. To mute or unmute in Google Meet, click on the little microphone icon at the bottom of the screen; note you may need to move your mouse pointer around the bottom of your screen to get the bottom bar to appear.
4. Speak up if using a computer microphone or if using the speaker function on your telephone.
5. Do not rustle papers in front of your mic unless it's muted. Please minimize background noise.
6. If you're referring to a document, identify it including page or sheet number.
7. If using the video function, have a light source in front of you if possible. Try to avoid backlighting.
8. If you want to look good, have your camera mounted at eye level or above. Look at yourself on screen to check the lighting, camera position, what's in the background, etc. In Google Meet, you can do this "video check" when you open the program before you join the meeting.
9. If you are participating by audio only, identify yourself when speaking.
10. ALL votes will be by roll call.
11. After the meeting is adjourned, click on the red phone icon on the bottom bar to leave the meeting, or (obviously) just hang up the phone if that is how you are participating.

For detailed instructions on using Google Meet, please refer to their website:

support.google.com/a/users/answer/9282720?hl=en



Memorandum

TO: Town Council
FROM: Paula Scott, Town Manager
DATE: May 6, 2021
RE: Sewer rate

When the auditor came in to discuss the audit with the Finance Department and myself, one of the most compelling pieces of information that we gleaned was the fact that the sewer is at the point where expenses are exceeding revenue. This is due to a couple of factors primarily, which are the fees we pay to Bangor and the amount of sewer debt that we are responsible for. As you may recall, this year's increase is 22.92%.

I looked back into archives here and determined that from 1998 to 2008, our rate was \$3.28 per 100 cubic feet. In 2009 it changed to \$4.28 until 2016 when Mr. Jennings determined how far apart expenses and revenues were in sewer and requested an increase to \$9.74 in order to cover expenses. For many years, the general fund was bailing out the sewer department in order to make expenses and this rate increase helped close that gap. Rates were increased each year until 2019 which is the last increase we have put forth. (\$12.00) Additionally, up until 2018, there was a capital charge on the bills (\$18.12 per quarter) which helped the cash flow. This was a reduction in revenue of approximately \$25,000 per quarter. Our minimum charge is \$36.00. Following the Deputy Treasurer's recommendation, I contacted Bangor and Hermon for their rates.. Bangor's current rate is \$7.25 per 100 cubic feet with an \$87.00 minimum charge. I contacted Hermon and asked how they structure their rates and was told that they mirror Bangor. When Bangor increases by a certain percentage, they do as well.

As you will see in the following email, Deputy Treasurer David Johnson has been working the numbers and the preliminary recommendation is an increase of at least 18.5% (rounding up, it would be a rate of \$14.50) with a recommendation to reinstitute the capital charges if the increase is not greater than the 18.5%. This is a discussion that will need to take into consideration all of the information presented as well as being able to set a public hearing and advertise for it in a timely manner if necessary.



Paula Scott <townmanager@hampdenmaine.gov>

sewer

David Johnson <david@hampdenmaine.gov>

Thu, May 6, 2021 at 2:17 PM

To: Paula Scott <townmanager@hampdenmaine.gov>, Tammy Ewing <financehr@hampdenmaine.gov>, Victor Smith <publicworks@hampdenmaine.gov>

Paula and Tammy,

This is a work in progress, but below is a summary of my findings so far

1. Looking at the history of the expenses (not including debt pmts) in sewer and using the budget amount for 2021 and 2022 (obviously not approved yet) we have been averaging an 18.5% increase. I used the 18.5% increase for the 2022-23 budget year and plugged in the debt service figure that we expect. For the debt service figure I reduced the amount by 2 grist mill payments from general fund to ease the pain a little bit. By doing this the debt payment in the general fund will only increase by \$9,762.97 due to some debt being retired, but it will help the sewer fund since the debt increase will be around \$121,500 without any grist mill funds. The good news is that in the 2024-25 year there is a \$67k decrease in debt service for sewer and then another \$80,490 decrease in 2026-27, so if we get past the next 3 years we should be a little more stable.

2. I used the excel sheets that I found in Angus's file to do some testing on the data that I received from Nikole. I plugged in the 18.385% increase and it yielded \$236,028 more in revenue. This sounds good since our increase in operations and debt service in the upcoming budget is \$238,926, but it does not take into account an additional \$227,340 increase in the following year. I need to verify some consumption numbers with Nikole, but if we are looking at an increase of \$466,265 over the next 2 years we probably should consider increasing it even more or having a capital charge to go along with the increase.

3. I think we need to look at other towns to see what they have been doing regarding rate increases over the last 5 years or so. Maybe Bangor can give us some data?? Any other town that uses Bangor's sewer like us?

I am still waiting for trio to get back to me to on some data extraction questions I had and I need to review and finalize my numbers.....More to follow.

Dave

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David Johnson
Deputy Treasurer
106 Western Ave
Hampden, ME 04444